Investing for a world of change

Global Managed Income Fund

Sustainable disclosures summary

The Global Managed Income Fund, the Sub-Fund aims to provide capital growth and income over the long-term. The Sub-Fund seeks to limit volatility, which means that the pace or amount of change in its value should be 50% lower than the volatility of global equities. It is actively managed and invests in a broad range of assets around the world.

The Sub-Fund does not have an explicit sustainable investment objective but does promote environmental and social objectives. It does this by making investments in companies and countries that meet the standards of Ninety One, the Investment Manager's sustainability framework and by excluding investments in others.

At least 51% of holdings will be aligned with the environmental or social characteristics promoted by the Sub-Fund.

How does the Sub-Fund incorporate sustainability into its investment process?

Ninety One uses a proprietary sustainability framework to analyse the material harmful and/or beneficial effects that a company or country has on society or the environment. This is supported by a variety of information including company sustainability reports and ESG data from third party providers. The goal is to identify beneficial or harmful impacts that a company or country may have on society or the environment.

- Companies: If harmful impacts are identified, Ninety One will assess whether the company concerned has policies in place to mitigate and reduce the harmful effects of its policies and operations.
- Countries: Ninety One will assess whether governments are balancing long-term environmental and social sustainability with short-term growth and consumption goals.

The sustainability reviews help identify companies and countries that should be excluded from the Global Multi Asset Income Fund and contribute to the research carried out on individual holdings before they are included in the Sub-Fund.

Ninety One follows an internal framework to analyse governance covering a wide range of factors including among others leadership, diversity and board independence through to adequacy of disclosures, capital management and auditor competence.

Which companies are avoided?

Ninety One excludes certain companies from the outset. These are companies that derive more than 5% of their revenue from:

- the manufacture and sale of tobacco products;
- thermal coal extraction or power generation;
- the exploration, production and refining of oil and gas;
- the operation of gambling centres or through online gambling portals; or

- the production or distribution of adult entertainment; or
- the manufacture of conventional or nuclear weapons, manufacture or distribution of civilian firearms, or manufacture of weapons support systems and services

In addition, the Sub-Fund will not invest in companies:

- that are directly involved in the manufacture and production of controversial weapons (including biological and chemical weapons, cluster munitions and anti-personnel landmines); or
- are directly involved in the manufacture and production of nuclear weapons; or
- that Ninety One deems to be in violation of the UN Global Compact principles.

How are investments monitored from a sustainability perspective?

The Sub-Fund's portfolio investments are regularly reviewed by Ninety One. Measuring environment and social characteristics is dependent on the availability of quality data and where limitations exist, Ninety One relies on research and due diligence to monitor environmental and social characteristics among others.

While the Sub-Fund does not have a designated reference benchmark when it comes to measuring the environmental or social characteristics of a particular holding, a combination of sustainability indicators and qualitative assessments are used.

Sustainability indicators for the monitoring of direct equity investments include:

- Scope 1, 2 and 3 company carbon footprints
- Weighted average carbon intensity
- Proportion of holdings in the portfolio which disclose carbon emissions figures
- Proportion of holdings with credible net zero transition plans in place
- Percentage of companies invested in business groups or activities (in some cases subject to specific revenue thresholds) prohibited under the Sub-Fund's exclusions criteria

Sustainability indicators that will be monitored for debt investments include:

- Where relevant, country carbon emissions on a per capita and/or GDP basis with accompanying qualitative criteria

Engagement policies

The Sub-Fund's holdings are monitored on an ongoing basis by Ninety One. Ninety One makes a point of meeting management teams to engage on any material sustainability or financial matters, as well as to understand the adoption of net-zero commitments and science-based targets.

A holding may be sold for a range of reasons but in particular, if it is determined that the investment case for the holding has weakened or it no longer satisfies the investment objective and policy of the Sub-Fund. Such sales will take place over a time period to be determined by Ninety One, considering shareholder best interests. Any changes in ESG scores may result in a change in the relative ranking of the company within the relevant sector specific ESG scorecard; this will prompt a discussion at Ninety One regarding what has driven such changes and whether any adjustment to the Sub-Fund is required.

Important information